

FISCAL IMPACT STATEMENT ON BILL NO. **S.203**

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TO:	The Honorable John E. Courson, Chairman, Senate Education Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Bryce Wilson		
DATE:	February 11, 2005	SBD:	2005101

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AUTHOR:	Senator Ford	PRIMARY CODE CITE:	59-127-65
SUBJECT:	SC State University - Law and Engineering Schools		

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ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

See below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

See below

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**BILL SUMMARY:**

This Bill amends the Code of Laws by adding Section 59-127-65 so as to provide for the establishment of a law school and an undergraduate engineering school at SC State University effective July 1, 2006. This Bill also provides for the manner in which these schools must be established and funded, and provides for faculty at the University of South Carolina (USC) law and engineering schools to teach also at the counterpart schools at SC State University.

**EXPLANATION OF IMPACT:**

The Commission on Higher Education (CHE), University of South Carolina (USC), and S.C. State University (SCSU) estimates the cost to establish a law school at SC State to be \$11,422,486 of which \$9,755,000 is first year non-recurring expenses. Non-recurring cost includes \$9,000,000 to construct a new facility; \$740,000 for a law library, computer equipment and furnishings, and \$15,000 in one time recruiting and hiring cost for faculty. Annual operating costs of \$1,667,486 includes, among other things, salary and fringe for four staff and four rotating faculty from USC. Other operating costs also include travel for USC faculty traveling to and from SCSU. Estimates are based on enrollment of 84 FTE students. If enrollment increases over 84 FTE students costs would go up approximately \$14,000 per student.

CHE, USC, and SCSU estimate first year cost to establish an undergraduate engineering school at SC State to be \$27,732,399 of which \$25,130,000 is first year non-recurring expenses. Non-recurring cost includes \$25,000,000 to construct a new facility, \$100,000 for equipment and furnishings and \$30,000 in one-time recruiting and hiring costs for faculty. Annual operating costs of \$2,602,399 includes, among other things, salary and fringe for three support staff and eight rotating faculty from USC. Other operating costs include travel for USC faculty traveling to and from SCSU. Estimates are based on enrollment of 120 FTE students. If enrollment increases over 120 FTE student's costs would go up approximately \$8,000 per student.

<u>Summary</u>			
	<u>Law</u>	<u>Engineering</u>	<u>Total</u>
Number of Students	84	120	204
Annual Operating - Including Salary & Fringe	\$1,667,486	\$2,602,399	\$4,269,885
Non Recurring - Contruction & Furnishings	<u>\$9,755,000</u>	<u>\$25,130,000</u>	<u>\$34,885,000</u>
Total First Year Cost	\$11,422,486	\$27,732,399	\$39,154,885

Total estimated costs to establish a law school and an undergraduate engineering school at SC State is \$39,154,885 initially and \$4,269,885 annually thereafter. The impact on the General Fund is at the General Assembly's discretion. This initiative could be funded with State General Funds and/or tuition & fee revenue. Construction costs could be financed through Bond issuance.

**LOCAL GOVERNMENT IMPACT:**

None.

**SPECIAL NOTES:**

The University of South Carolina notes that establishment of a law school and engineering school at S.C. State University could impact tuition revenue at USC to the extent that such programs reduces enrollment.

Approved by:



Don Addy  
Assistant Director, Office of State Budget